

Circumstances Affecting China's Defense Budget Increase

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Synopsis: The general circumstances that determine defense budget growth include six elements. They are: the general development level of the national economy, re-adjustment of the military development strategies, technology-content of the military, the cumulative effect of military investment, unexpected and sudden changes in the national security situation, and the operational status of the macro-economy. The conclusion drawn from an analysis of these circumstances is that at the present development stage in China, all six elements point towards increasing the defense budget. China's defense expenditure has come to a point where it has to expand, and the first ten years into the 21st Century should be grasped as the most opportune time to increase its defense budget.

Key words: China's defense budget, increase and circumstances.

1. The development level and growth of the GDP: economic foundation for the national defense budget increase.

The economic foundation for increasing the national defense budget is the level and growth of China's GDP. From this perspective, the issue of a national defense budget increase can be analyzed from the relationship between the national defense expenditure with GDP in general, with the growth of GDP per capita, and GDP itself.

1) The general relationship between GDP and national defense budget.

GDP is an absolute indicative index of a nation's economic development level. The general correlation between GDP and a country's national defense budget is a percentile of the national defense budget. This percentage level varies in different countries and during different periods of time (understandably, the difference is particularly striking between times of peace and times of war). Let's just look at China as a major developing country during peaceful times (peaceful times can be subdivided into different peaceful stages according to the level of security). China's national defense budget as a percentage of its GDP can be measured against the average percentage figure of other countries' national defense budget in their GDP. There have been many discussions over how high this average percentage figure should be. Most people believe that it should be between 3% and 5%. According to statistical data, America's national defense budget has averaged 5.7% of its GDP since 1970s. In Britain, the average figure is 4.8%, and 12% in the former Soviet Union. Therefore, we can confidently say that the average figure should be from 3% to 5%.¹

However, in the past few years, China's national defense budget as a percentage of its GDP has been under 1.5%. The average figures from 1996 to 1999 are, respectively, 1.06%, 1.09%, 1.20% and 1.27%. Apparently China's defense budget has not even reached the lower end of the international average of 3%, or even half at that matter.

3) The growth effect of GDP per capita on a national defense budget.

The figure of GDP per capita is an index based on a nation's population. It is a more specific index figure reflecting the development level of a nation's economy. China with its large population naturally has a relatively low GDP per capita figure. The figure was 2,287 *yuan* in 1992, and reached 6,392 *yuan* in 1998. Here we are only talking about the change of the figure itself; i.e. we are only looking at the growth level of the national defense budget based on the changing level of GDP per capita. This is what we call the growth effect of GDP per capita on the national defense budget increase.

According to China's social and economic growth and the size of its national defense budget, China is at the stage of fast industrialization and rapid economic growth (including the starting stage, acceleration stage and mature stage in the industrialization process. Currently, China is between the starting and acceleration stages). At this point, the GDP per capita should be \$280 and the corresponding growth of its national defense should fall into the pattern of "structural growth." This is based on an optimized structure of the national defense budget and characterized by improved quality as a result of its structural growth.² That is to say that China has now reached the stage for accelerating the national defense budget increase with an optimized structure and improved quality. At an exchange rate of \$1: 8 *yuan*, \$280 is converted into 2,240 *yuan*, which means that the structural growth stage of China's defense budget probably started in 1992. Or at least, China's defense budget should have started growing in its natural course five years ago, not now, and certainly not in the next century.

4) Correlation between GDP growth and defense budget increase.

The following scenarios emerge in the correlation between GDP growth and defense budget increase: first, the defense budget increase outgrows the GDP growth rate; second, the defense budget growth rate equals GDP growth rate; third, the defense budget increase falls below GDP growth rate. Only the first scenario indicates a defense budget increase, and therefore a higher percentage of the national defense budget in GDP. Since 1978 when China started to open up to the outside world, China has had record high economic growth rates. The average GDP growth rate after the 1990s is 10.12%, with the lowest growth rate of 7.1% in 1999. During the same period, China's national defense budget has been growing at a rate of over 12% or 15.42% on average. The defense budget growth rate is obviously higher than the GDP growth rate. Based on the 1999 defense budget figure of 1.27% of GDP, and an average GDP growth rate of 10% and defense budget growth of 15%, it would take about 20 years to increase the defense budget percentage in GDP from 1.27% to 3%. Based on 8% GDP growth rate and 10% defense budget growth rate, it would take 40 years. Based on 8% GDP growth rate and 15% defense budget growth, it would take about 15 years. But if based on 8% GDP growth and 20% defense budget growth, it would take about 10 years.³

1. Drawing up a military development strategy is a prerequisite to a defense budget increase. From this perspective, an analysis can be made based upon relations between military development and economic growth, the content of the military strategy and the economic strength of the nation

1) Relations between military development and economic growth.

The development of the military depends upon economic growth and contemporaneously

provides security and protection for economic growth. Balancing relations between the military development and economic growth is a pre-condition to mapping out the right military development strategy. This is especially important to developing countries such as China. With its large population, China's first and foremost priority has to be feeding its people. Since 1980s, Deng Xiaoping established the realistic guideline for the military to "first concentrate on economic construction" and "subordinate military construction to economic construction." Therefore "to tighten up the troops' purse strings" became the guiding rule and policy for logistics and finance departments. In 1988, the defense budget growth slowed down to the lowest point of 4%. Considering the rather high inflation rate at that time, not only did the purchasing power of the defense budget not increase, it actually suffered a negative growth. To look at the percentage of the defense budget in GDP, it went down from 4.29% in 1980 to 1.46% in 1988, and went back up to 1.528% in 1991, before coming down again to 1.06% in 1996. It went up to 1.27% in 1999. There have been ups and downs but the overall trend has been negative growth. This downward trend has been an overall result of the policy of prioritizing economic development over military development for the past 20 years since China began to enforce reforms.

The original plan to double China's GNP by the end of last century and improve the living conditions of the general population to the level of the middle class has more or less been achieved. Reforms and opening up to the outside world have led China to rapid economic growth. China's GDP in 1999 climbed to 82.054 trillion *yuan*. The economic structure is basically sound and inflation is under control. China's trade with other countries has also gone through impressive growth. The economic growth rate has been maintained at around 7%. Given such economic prosperity, if China still does not turn its priority to strengthening its military, it will not only be running against a logical balance between military development and economic growth, it might end up in a failure to carry out the historical obligations entrusted upon China.

3) Readjusting the content of China's active defensive strategy.

China has always followed an active defensive strategy. The content of this strategy is twofold: first, China's military serves primarily defensive functions – to defend China against foreign invasion and fend off foreign enemies on Chinese territory. Therefore its function is mainly reactive. Second, China's military defense is active, not passive; it is prepared for war with the goal to win. Although reactive rather than offensive, China's defense is certain to subdue the enemy and win the war. The core of such active defense is to take preventive measures. Therefore, although pursuing active foreign policies for peace is important, starting active military buildup and war preparedness has a more significant and direct impact. China in the past has always maintained active military development - strongly evidenced with success in the Korean War, and the self-defensive war against Vietnam. In January 1993, China's third generation of party leaders led by Jiang Zemin designed a new military strategy, based on the changing world environment. They pointed out that the future military focus should shift towards winning modern and high technology warfare. This transition from winning conventional warfare to modern, especially high tech regional, warfare has been a major strategic shift. However, a transition of military strategies has to be in line with the right defense budget decisions for it to have any practical significance. Otherwise, this strategy will be an empty one, especially when the nature of it is defensive. That means China's military development needs further modernization and more high technology. This will require increasing the defense budget as its economic foundation.

4) China's position as one of the biggest countries; the world's multi-polarizing trend

As the world's most populated country, and with its significant geographic size, China ought to be a major economic and military power and play a more decisive role in the world affairs, especially in the Pacific Rim. It should be able to make its contribution to world peace in proportion to its position as a major nation. In a world of severe multi-polarization, China needs to take more initiative towards achieving a new multi-polarized world order. In fact, China has been doing that, but China needs to have more economic power if it wants to have more weight in world affairs. "Strength lends weight to words." Although a nation's strength is demonstrated through its economic power in general, but in a concentrated form, this strength is exhibited through its military power. Today, with constant occurrences of regional wars, the key to winning a war is to have military strength empowered by high technology. This military strength will also include its world power status, its abilities to participate in "peace keeping" operations, its abilities to mediate through military diplomacy and be included in joint military exercises. All of this requires an increased defense budget.

1. The use of high technology in military forces as a booster to defense budget increases.

Supplying the military with high technology can spur a military budget increase. This can be analyzed through several angles: tactics shifts, strengthening equipment, and structural upgrading.

1) Changes in high tech warfare and tactics.

High tech warfare falls midway between conventional and nuclear warfare. It had already started during the 1970's and 1980's. For instance, the fourth Middle Eastern War in 1973, the Falkland War in 1982. Later, during the Gulf War in early 1990's and the Kosovo War in 1999, high technology played an even more decisive role. The areas where high technology is used include microelectronics, photo-electronics, computer technology, new materials, new energy, space and marine technologies.

High tech warfare is a comprehensive war; therefore the mode of combat has been completely altered. The changes have taken place mainly in two aspects: first, the multi-armed forces are unified; second, front line and behind-the-enemy lines are one. As a result, the cost of high tech warfare has clearly gone up. The direct cost and providing cover for high tech warfare are extremely high, as demonstrated in the Gulf War and Kosovo War. Without sufficient defense expenditure it would be impossible to win a high tech war. The indirect cost of such warfare is also high. For instance, war has resulted in horrendous damage to social productivity and economy in Iraq and Yugoslavia. Therefore we can say that avoiding a modern war successfully equals avoiding serious damage and economic setbacks. To achieve this, the nation needs to have a powerful military force, which relies on assured defense budget increases.

3) The significance of superior military equipment has become increasingly obvious.

We all know that the decisive factors in war are people, while weapons and equipment are only one of the important elements. People and weaponry together form the basis of the combat capacity of the military forces. However, in a high tech war, the strong performance of high tech weaponry highlights the significance of equipment in such a way that human performance becomes almost secondary, realized through high tech weapon control. In a

sense, modern high tech warfare is an arms race and contest of weaponry systems. It has become essential to build up capital accumulation and concentration in the military to maintain military superiority in this arms race. Besides, China does not have an advantage over countries such as the U.S. and Russia in high tech weaponry and equipment. The navy and air forces have also been China's weak spots. Both the quantity and quality of missile troops need to be improved. By the next century, if China still cannot establish relative superiority in naval and air forces, and advance into space control, it will not be able to gain the initiative in a high tech war. Therefore, increasing the national defense budget has become a more urgent issue.

4) Structural upgrading as an internal boosting force.

If the pattern of defense budget increase, which has shifted from quantitative input to structural transformation as a direct result of economic growth, can be called an external driving force, then structural military upgrading through technology will be the internal motivation. The military structural upgrading involves structural upgrading of troop composition and weaponry composition. The former means the main combat force is no longer the army, but rather a combined force composed of the army, navy, air force, special rapid reaction troops, missile troops and strategic nuclear forces. The army, therefore, will be cut down, while the navy, air force and missile troops will be reinforced. The latter part of the structural upgrading involves making conventional, high tech and nuclear weapons "unconventional." That is, conventional, high-tech and nuclear weapons all move towards technology-oriented processes. High tech weaponry has taken on more and more significance. Under a market economy, military structural upgrading inevitably means "more and more concentrated capital accumulation in defense budget."

What needs to be emphasized here is that, along with the gradual military structural upgrading, disarmament becomes an important mechanism for balancing the quantitative and qualitative growth. In a military structure, which has the army (conventional weapons) as the main combat force, disarmament means reducing the number of troops and reinvesting the savings in weaponry improvement. The reduction of one million troops in the 1980's and half million reduction in the 1990's did exactly that. However, in a military structure, which has the non-army troops as the main combat force (high-tech weapons), disarmament means reducing obsolete weapons and equipment and investing in research and exploration of new high-tech weaponry. America's disarmament moves - arms control and conditional cutting down on the number of missiles - belong to the second stage. These are the first and second stages in the process of military structural upgrading.

1. The accumulation of military investment: a related element in the defense budget increase.

2.

The accumulation of military investment is a related factor in the defense budget increase. The increase of the defense budget is affected by the amount of accumulated funding, shortage of capital and non-physical wear.

- 1) The power of a military is the combination of accumulated force and volume of flow.
The development of military power is directly related to the level of reduction and

increase in its defense budget. The national defense budget is an important item in a country's annual financial expenditure, which is the volume of flow. In contrast, the accumulated amount of military investment indicates the total of accumulated force. What is at issue here is the degree of change related to either funding accumulation or volume of flow. For instance, the U.S currently has 18 strategic nuclear submarines equipped with 432 missiles; it has 138 surface battle ships (including 12 aircraft carriers); and over 1,000 intercontinental missiles. In addition, the US has been working on its TMD and NMD systems. This has been done through accumulated investment over a period of many years, not through one or two years of increased defense budget. Another example is Russia. Russia has 26 strategic nuclear submarines equipped with 648 missiles; 44 battle ships (one aircraft carrier in service, a few others out of service). Russia also has up to 1,000 intercontinental missiles, in addition to a number of missiles out of use as a result of disarmament talks over strategic weaponry. Russia's defense expenditure was US\$71 billion in 1996, \$64 billion in 1997, and \$34 billion in 1998, which indicates large-scale reductions, but this does not mean that Russia does not have a powerful military force. It only shows that Russia has slowed down its defense budget increase compared with the past. From these examples we can see that the military power is a combination of accumulated force and volume of flow.⁴

China's military strength is relatively strong compared with other Asian countries, but not so strong if compared with the United States and Russia. This situation does not match China's status as a major world power. On the one hand, the reason is economic - China has only become economically stronger after it started to reform and open up to the outside world. On the other hand, China's national defense budget level has been kept very low, especially after China entered the reform period, when an austerity policy was advocated and the military growth had to slow down. As a result, with the low military accumulation, steps should be taken to increase the volume of flow in order to generally build up the general accumulation. China needs to learn about other countries' level of military accumulation and their annual volume of flow to properly re-adjust its own military development.

- 3) Shortage of defense investment and how to solve it: the gap between defense investment and amount of demand is the shortage of defense investment.

Demand for national defense investment is limited. The amount of demand is based upon a country's GNP or GDP and affected by domestic and international security factors. Under peaceful circumstances, the amount of demand could be limited to 3% of GNP or GDP. If a nation's annual defense investment falls below this level, it indicates a shortage. Calculated on this model, China's defense investment started suffering a shortage from 1983 (when the defense budget accounted for 2.98% of that year's GDP).⁵ As we mentioned before, if 3% of GDP is a normal percentage figure and 2% is the minimum level, then China's defense budget shortage started seriously in 1986. From 1986 to 1999, the percentage points of defense budget in GDP were, respectively, 1.97%, 1.75%, 1.46%, 1.49%, 1.57%, 1.53%, 1.42%, 1.23%, 1.18%, 1.09%, 1.06%, 1.09%, 1.20% and 1.27%. 1988 was the year that witnessed the greatest shortage of defense investment, which was 0.54%, or 8 billion *yuan*; and 1996 had the second biggest shortage, which was 0.94%, or 63.8 billion *yuan*. From 1986 to 1999, the total accumulated shortage of China's defense investment was 423.2 billion *yuan*. If the inflation factor is taken into consideration, the gap will be even greater.

The growth rate of the defense budget is impacted by many elements. The growth could be higher than the rate of GDP growth rate, lower, or at the same pace. But no matter how

fast the national defense investment increases; it should maintain a balanced percentage level between 3% and 5% of GDP. In peaceful times, the percentage level should not be too high or too low because in either case it will negatively tip the balance between military products and civilian products.⁶ China should at least maintain the minimum level of 2% of GDP to avoid further increasing the shortfall of military accumulation compared with other countries.

4) The non-physical wear issue in the military power is also worth attention.

Generally speaking, the greater the accumulation of military investment, the stronger the military power will become. However, it has not always been the case, because there is the issue of non-physical wear. According to basic economic principles, the wear and tear of fixed assets is the natural result of both physical wear and non-physical wear. Physical wear is wear and tear caused by use and natural forces. Non-physical wear is value depreciation of existing fixed assets caused by the advancement of social productivity and technology. In the latter case, compensation of value comes from the deduction of cost after the commodity sales. The two types of wear also exist in the military and the difference is the type of compensation of value, which comes from the state defense budget.

Physical wear is visible and therefore easily recognized. What we want to draw attention to here is non-physical wear, which is extremely important but easily overlooked. There are two types of non-physical wear. The first is the inherent depreciation of value in the same weapons and equipment caused by improved social productivity. The second is the effective depreciation and degrading of value in existing weapons as a result of the emergence of new weaponry and equipment. In today's world where new technology is being invented everyday, the second type of non-physical wear becomes much more prominent. High tech equipment combined with nuclear weaponry has resulted in rapid value depreciation of conventional arms. Given this issues plagues China more than the U.S and Russia, there lies a need to greatly compensate the depreciation of its weapon systems, and increase its defense investment at an even greater speed.

1. Expected sudden occurrences in national security as an acceleration element in defense budget increase.

Sudden and unexpected occurrences in the national security situation become acceleration elements in defense budget increases. From this perspective, defense budget growth can be impacted by unexpected security changes domestically and internationally.

1) International security situation changes.

After the end of the Cold War, the world has become increasingly multi-polarized. Peace and development are still the reigning themes of today's world. This does not equate to a preclusion of calamities or unfortunate incidents. Waves of regional wars and armed conflicts occur constantly. Accordingly, China's Central Party Committee and Central Military Committee pointed out as early as 1993 that the future focus of military operations will be on winning possible modern technology wars, especially high tech regional warfare. This transition in policy falls in line with the strategic needs of modern warfare. It also means a re-adjustment in investment priority and investment size in the military. Here special attention is drawn to the impact of sudden international security events on China's defense budget increase.

The US-led Western hegemonies have an increasingly greater direct impact on China's security. First of all, the US-led NATO countries bypassed the UN and invaded Yugoslavia on March 24th 1999, under the excuse of "protecting human rights." Later at a summit meeting held in Washington commemorating the 50th Year Anniversary of NATO, they passed "The New Strategic Concept of NATO in the 21st Century," advocating a new strategy of a "new intervention policy." Secondly, during the Kosovo War, the US-led NATO bombed the Chinese Embassy in Yugoslavia, causing the deaths of several Chinese journalists. Although the US explanation of it was that it was an "accident" and US President Clinton apologized, the nature of their conduct is apparent. Later, Japan and the US joined hands again and signed "Japan-US Security Treaty" in 1996, and established "Guidelines for Japan-US Defense Cooperation" in 1997. US Deputy Secretary of State Strobe Talbott claimed in February 1999 that the Guidelines for Japan-US Defense Cooperation were the logical results of NATO's eastbound expansion into Asia. On April 27th 1999, the Japanese Parliament passed bills related to the Guidelines for Japan-US Defense Cooperation, which no doubt aimed to "contain" Russia and China with the ultimate goal of controlling the Asia Pacific Region.

- 3) Influence of sudden domestic security occurrence, which mainly concerns the issue of Taiwan.

How to resolve the issue of Taiwan and reunite China is of China's fundamental national interest. The Chinese Government has always maintained the "one China" principle, while the new leaders of Taiwan have evaded a clear definition, which severely undermines the prerequisite and foundation for a peaceful reunification. The US has never stopped selling weapons to Taiwan, and is trying to include Taiwan in its Missile Defense System. The Taiwan Straits issue is a complex and serious one. China's State Council Press Office issued a White Paper, "China's Defense in 2000," which reiterated: "if Taiwan separates from China under any name and any circumstances, if Taiwan is invaded by a foreign country, if the Taiwan authorities indefinitely refuses to move towards a peaceful reunification through negotiations, then the Chinese Government will have no choice but be forced to resort to all possible measures, including the use of military force, to achieve final reunification." With the existence and possible expansion of hegemony and power politics, especially if China's security comes under any threat, then it needs to have the military capacity to protect its sovereignty and security. In any of these cases, a sufficient defense budget will be needed.

1. **The "Operational Status of Macro-Economy" is a policy variant in a defense budget increase.**

The operational status of macro-economy is a variant in the policy on a defense budget increase. From this perspective, increasing the national defense budget becomes an important control mechanism over a macro-economy.

- 1) The percentage of defense budget in China's financial expenditure tends to be too low.

It is recognized that market economy goes through business cycles. The operation of macro-economy has gone from being overheated to soft as a result of weak demand. The government has shifted its economic policy from containing to stimulating market demand, especially after the economic crisis in South East Asia. Along with the commercialization

process of state enterprises and state banks, the government has repeatedly cut the interest rate, and the annual interest rate has come down from 10.98% to the present 2.25%. It is now a priority to spur demand with fiscal stimulus in the state macro-economic policy.

However, if we look at the percentage of government financial expenditure in GDP, we can see there is more potential for further expansion. For instance, the government expenditure in GDP in 1980 was 27.2%, which declined to 21.6% in 1986 and even further down to 11.67% in 1995. During the period of 1996 - 1998, the figures rose slightly to 11.69%, 12.4% and 13.8% respectively, which were extremely low. If we assume the reasonable percentage figure for financial expenditure in GDP to be 25% - 30%, then there is at least a 10% expansion potential. Of course, there are many ways to increase financial expenditure, for instance, to increase expenditure for social security and welfare, to raise civil servants' salaries, inject funding for educational, science and cultural development or increase investment in industries. However, we believe at the present time China needs to seriously raise national defense expenditures, especially now at the turn of the century. We can say that, given the economic status at present, now is the best opportunity for starting another round of defense investment. Also, if we look at the percentage of the defense budget in state financial expenditure, it was 15.77% in 1980, down to 9.56% in 1985, 9.07% in 1996, 8.80% in 1997, and 8.66% in 1998. Furthermore, based on a 3% defense budget in GDP, if the state financial expenditure involves 15%, 20%, 25% and 30% of GDP, then the defense budget should take up 20%, 15%, 12% and 10% of the state fiscal expenditure.

- 3) The growth rate of defense budget increase has been below that of the fiscal expenditure.

In China, there have been many years when the rate of the defense budget increase falls before that of fiscal expenditure increase. *Table 1* below gives the figures after 1996:

TABLE 1

Unit: %

Year	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
Expenditure Growth Rate	10.0	2.6	10.1	13.3	9.2	9.8	10.5	24.1	24.8	17.8	16.3	16.3	16.9
Defense Budget Growth Rate	4.81	4.42	4.00	15.3	15.4	13.8	14.4	12.7	29.3	15.6	13.1	12.9	15.0

Source: *China Statistics Almanac 1999* and subsequent calculations

As shown in *Table 1*, in 7 of the 13 years included in the chart, the growth rate of defense budget fell below the fiscal expenditure growth rate. Especially after 1984, the defense budget growth rate not only fell below the fiscal expenditure growth rate, it demonstrated a definite downward trend. In view of this situation, the government should not only focus on increasing financial expenditure but also defense investment in its aggressive financial planning.

From an analysis of the six aspects, we conclude that China now has no choice but to greatly increase its defense expenditure. It should use an auspicious period to accelerate a defense budget increase in the first ten years of the new century. On the assumption of an average GDP growth rate of 8% and defense budget growth rate of 20%, China's defense budget should go through the following increases, as shown below in *Table 2*.

TABLE 2 Unit: 100 million Yuan

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
GDP	82,054	88,618	95,708	103,364	111,634	120,564	130,209	140,626	151,876	164,026	177,148	191,320
Defense Budget	1,046	1,255	1,506	1,807	2,169	2,603	3,123	3,748	4,498	5,397	6,476	7,772
Defense/ GDP	1.27	1.42	1.57	1.75	1.94	2.16	2.40	2.67	2.96	3.29	3.66	4.06

Based on the calculations shown above, China's defense budget should have reached 777.2 billion *yuan* by 2010, more than seven times the figure of 1999, or US\$100 billion at the present exchange rate. The U.S defense budget was \$100.93 billion already in 1977, \$239.4 billion in 1983 and reached the highest point of \$293 billion in 1990. In recent years, the US reduced its defense budget slightly and had \$264.1 billion in 1998 and an estimated \$270.6 billion in 1999. ⁷ According to related reports, the U.S military expenditure will jump to \$288 billion in 2001, \$3 billion more than the budget projection presented by President Clinton.⁸

¹ Wan Dongcheng, *Economic Growth & Scale of Defense Budget*, China Economic Publishing House, 1998. pp. 96-141.

² As above

³ *China Statistics Almanac 1999*, and subsequent calculations.

⁴ Hua Liuhu, *Compare & contrast Military Strength*, National Defense University Press, 1999.

⁵ Xia Jiren, "China's Defense Budget: Shortage, Reasons & Solutions," *Military Finance*, 5th Issue 1996.

⁶ Xia Jiren, Huang Ruixin, *Financial Principle & Military Finance*, Huaichao Publishing House, 2000.

⁷ Hua Liuhu, *Compare & Contrast Military Strength*, National Defense University Press, 1999.

⁸ *Chutian Metropolitan Newspaper*, International News Page, July 29th 2000.